

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

S

W-03388A  
Seven Canyons Water Company  
15333 N. Pima Rd., Ste. 305  
Scottsdale, AZ 85260

RECEIVED

MAY 18 2011  
ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

FOR YEAR ENDING

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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5-18-11

### COMPANY INFORMATION

<b>Company Name (Business Name)</b>		<u>Seven Canyons Water Company</u>	
<b>Mailing Address</b>		<u>15333 North Pima Road, Suite 305</u>	
(Street)			
<u>Scottsdale</u>	<u>AZ</u>	<u>85260</u>	
(City)	(State)	(Zip)	
<u>480.627.7000</u>	<u>480.627.7010</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>Local Office Mailing Address</b>		<u>755 Golf Club Way</u>	
		(Street)	
<u>Sedona</u>	<u>AZ</u>	<u>86336</u>	
(City)	(State)	(Zip)	
<u>928.203.2254</u>	<u>928.203.2092</u>		
Local Office Telephone No. (Incl Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> _____			

### MANAGEMENT INFORMATION

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input checked="" type="checkbox"/> <b>Management Contact:</b>			
<u>Nancy Stone</u>		<u>CFO, Cavan Management Company</u>	
(Name)		(Title)	
<u>15333 N Pima Road #305</u>	<u>Scottsdale</u>	<u>AZ</u>	<u>85260</u>
(Street)	(City)	(State)	(Zip)
<u>480.747.9451</u>	<u>480.627.7010</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>nstone@cavan.net</u>			
<b>On Site Manager:</b> <u>Wendy Ferguson</u>			
(Name)			
<u>755 Golf Club Way</u>	<u>Sedona</u>	<u>AZ</u>	<u>86336</u>
(Street)	(City)	(State)	(Zip)
<u>928.203.2254</u>	<u>928.203.2092</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b> <u>scwatercompany@sevencanyons.com</u>			

**Statutory Agent:** Cavan Management Services  
 (Name)

15333 N Pima Road, #305 Scottsdale AZ 86260  
 (Street) (City) (State) (Zip)

480.627.7000 480.627.7010  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

\_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address \_\_\_\_\_

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S) ☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P) ☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B) ☐ Association/Co-op (A)

☐ Receivership (R) ☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE ☐ COCHISE ☐ COCONINO

☐ GILA ☐ GRAHAM ☐ GREENLEE

☐ LA PAZ ☐ MARICOPA ☐ MOHAVE

☐ NAVAJO ☐ PIMA ☐ PINAL

☐ SANTA CRUZ ☒ YAVAPAI ☐ YUMA

☐ STATEWIDE

Company Name: Seven Canyons Water Company

**UTILITY PLANT IN SERVICE**

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	-	-	-
303	Land & Land Rights	-	-	-
304	Structures & Improvements	1,350	207	1,143
307	Wells & Springs	593,050	83,027	510,023
311	Pumping Equipment	28,818	4,069	24,749
320	Water Treatment Equipment	-	-	-
330	Distribution Reservoirs & Standpipes	-	-	-
331	Transmission & Distrib. Mains	222,659	31,172	191,487
333	Services	-	-	-
334	Meters & Meter Installations	15,102	2,435	12,667
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-	-	-
339	Other Plant & Misc Equipment	-	-	-
340	Office Furniture & Equipment	-	-	-
340.1	Computers & Software	-	-	-
341	Transportation Equipment	-	-	-
343	Tools, Shop & Garage Equip.	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communications Equipment	2,535	1,931	603
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	<b>TOTALS</b>	<b>\$ 863,514</b>	<b>\$ 122,842</b>	<b>\$ 740,672</b>

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Seven Canyons Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1 X 2)
301	Organization	\$ -		\$ -
302	Franchises	-		-
303	Land & Land Rights	-	N/A	-
304	Structures & Improvements	1,350	4.00%	54
307	Wells & Springs	593,050	4.00%	23,722
311	Pumping Equipment	28,818	3.9800%	1,147
320	Water Treatment Equipment	-		-
330	Distribution Reservoirs & Standpipes	-		-
331	Transmission & Distrib. Mains	222,659	4.0000%	8,906
333	Services	-		-
334	Meters & Meter Installations	15,102	4.0000%	604
335	Hydrants	-		-
336	Backflow Prevention Devices	-		-
339	Other Plant & Misc Equipment	-		-
340	Office Furniture & Equipment	-		-
340.1	Computers & Software	-		-
341	Transportation Equipment	-		-
343	Tools, Shop & Garage Equip.	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communications Equipment	2,535	14.2900%	362
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	-		-
	<b>TOTALS</b>	\$ 863,514		\$ 34,796

Depreciation Expense amount goes on the Comparative Statement of Income and Expense Acct. No. 403.

Company Name: Seven Canyons Water Company

**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 1,669	\$ 591
134	Working Funds	250	250
135	Temporary Cash Investments		
141	Customer Accounts Receivable	27,784	71,189
146	Notes/Receivables from Associated Companies	20,908	25,940
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 50,611	\$ 97,970
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 863,514	\$ 863,514
103	Property Held for Future Use		
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant	(88,046)	(122,842)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 775,468	\$ 740,672
	<b>TOTAL ASSETS</b>	\$ 826,079	\$ 838,642

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Seven Canyons Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 38,569	\$ 20,670
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	144	1,822
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		1,971
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 38,713	\$ 24,463
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds		
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 24,690	\$ 27,091
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 24,690	\$ 27,091
	<b>TOTAL LIABILITIES</b>	\$ 63,403	\$ 51,554
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	961,434	961,505
215	Retained Earnings	(199,758)	(175,417)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 762,676	\$ 787,088
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 826,079	\$ 838,642

Company Name: Seven Canyons Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 80,662	\$ 96,643
460	Unmetered Water Revenue		
474	Other Water Revenues	141	
	<b>TOTAL REVENUES</b>	\$ 80,803	\$ 96,643
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water	1,959	
615	Purchased Power	17,440	21,995
618	Chemicals	1,019	
620	Repairs and Maintenance	31,901	2,818
621	Office Supplies & Expense	2,133	255
630	Outside Services	21,690	15,673
635	Water Testing	89	30
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	5,023	1,016
659	Insurance - Health and Life		
665	Regulatory Commission Expenses		
675	Miscellaneous Expense	285	240
403	Depreciation Expense	34,795	34,796
408	Taxes Other Than Income	54	59
408.11	Property Taxes	796	3,910
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 117,184	\$ 80,792
	<b>OPERATING INCOME/(LOSS)</b>	\$ (36,381)	\$ 15,851
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income		\$ 8,489
426	Miscellaneous Non-Utility Exp		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ -	\$ 8,489
	<b>NET INCOME/(LOSS)</b>	\$ (36,381)	\$ 24,340



Company Name: Seven Canyons Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	No loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ -	\$ -	\$ -	\$ -
Amount Outstanding	\$ -	\$ -	\$ -	\$ -
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$ -	\$ -	\$ -	\$ -
Current Year Principal	\$ -	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End \$ 27,091

Meter Deposits Refunded During the Test Year \$ 2,609

Company Name: Seven Canyons Water Company	
Name of System:	ADEQ Public Water System Number: 13-248

### WATER COMPANY PLANT DESCRIPTION

#### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-600173	25	118	744	7	4	1963

\* Arizona Department of Water Resources Identification Number

#### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

#### BOOSTER PUMPS

Horsepower	Quantity
15.0	2
3 - 60 (VFD)	2

#### FIRE HYDRANTS

Quantity Standard	Quantity Other
20	

#### STORAGE TANKS

Capacity	Quantity
6,700 gal	1
200,000 gal	1

#### PRESSURE TANKS

Capacity	Quantity
23.7	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

Company Name: Seven Canyons Water Company		
Name of System:	ADEQ Public Water System Number:	13-248

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2		67
3		
4		278
5		
6		197
8		3710
10		2957
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	
3/4	2
1	39
1 1/2	6
2	6
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

**For the following three items, please list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

Solenoid Dosing Pump (Chemical Metering Pump)

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**STRUCTURES:**

Sound wall

Booster Pump Room (Main)

Office/Laboratory

Booster Pump Room (Secret Ridge)

**OTHER:**

Level Controller

Level Sensor

Control Switch

Goulds Water Feature Pump

Telemetry System (SCADA)

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

Company Name: Seven Canyons Water Company
Name of System: ADEQ Public Water System Number: 13-248

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	54	546.58	635.00	
FEBRUARY	54	362.29	438.40	
MARCH	54	667.00	765.60	
APRIL	54	990.93	1,179.30	
MAY	54	960.60	1,131.10	
JUNE	54	982.45	1,155.20	
JULY	54	1,309.18	1,572.80	
AUGUST	54	1,138.83	1,291.70	
SEPTEMBER	54	1,312.09	1,499.10	
OCTOBER	54	1,452.44	1,694.30	
NOVEMBER	54	1,217.45	1,397.80	
DECEMBER	54	507.75	590.40	
<b>TOTALS</b>		11,447.58	13,350.70	0.000

What is the level of arsenic for each well on your system?                      < .002                      mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement?    2,250 GPM for 2 hours

If system has chlorination treatment, does this treatment system chlorinate continuously?  
**YES**                      **NO**

Is the water utility located in an ADWR Active Management Area (AMA)?  
**YES**                      **NO**

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
**YES**                      **NO**

If yes, provide the GPCPD amount:                      N/A

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

Company Name: Seven Canyons Water Company		
Name of System:	ADEQ Public Water System Number:	13-248

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	-	-	-
FEBRUARY	-	-	-
MARCH	-	-	-
APRIL	-	-	-
MAY	-	-	-
JUNE	-	-	-
JULY	-	-	-
AUGUST	-	-	-
SEPTEMBER	-	-	-
OCTOBER	-	-	-
NOVEMBER	-	-	-
DECEMBER	-	-	-
<b>TOTALS</b>	-	-	-

OTHER (description):

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**COMPANY NAME** Seven Canyons Water Company **YEAR ENDING 12/31/09**

**COMPANY NAME** Seven Canyons Water Company **YEAR ENDING 12/31/09**

## PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2009 was:

§

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why.

Cash flow shortage in 2009 - paid in 2010

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED

MAY 18 2011

ACC UTILITIES DIRECTOR

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Jeffrey Markert / Secretary</u>
COMPANY NAME
<u>Seven Canyons Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2009</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Jeffrey Markert*  
SIGNATURE OF OWNER OR OFFICIAL  
480-627-7000  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME	
<u>MARICOPA</u>	
MONTH <u>APRIL</u>	<u>20 11</u>



*Marcia J Barker*  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Seven Canyons Water Company

YEAR ENDING 12/31/09

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	est	\$	<u>22,785</u>
Estimated or Actual Federal Tax Liability	est	\$	<u>3,418</u>

State Taxable Income Reported	est	\$	<u>24,492</u>
Estimated or Actual State Tax Liability	est	\$	<u>1,707</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	\$	<u>-</u>
Amount of Gross-Up Tax Collected		<u>-</u>
Total Grossed-Up Contributions/Advances	\$	<u>-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certified that the Utility has refunded to Payers all gross-up tax refunds reported in the prior years annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company, or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
TITLE



VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

MAY 18 2010

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jeffrey Markel/Secretary</u>
COMPANY NAME	<u>Seven Canyons Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2009</u>

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 163,062

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 6,419  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF



MARCIA J BARKER  
Notary Public - Arizona  
Maricopa County

My Comm Expires Feb 19, 2015

[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
480-627-7000  
TELEPHONE NUMBER

COUNTY NAME	<u>MARICOPA</u>	
MONTH	<u>APRIL</u>	<u>2011</u>

Marcia Barker

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED

MAY 18 2010

ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>		
NAME (OWNER OR OFFICIAL) <u>Jeffrey Hockett</u>	TITLE <u>Secretary</u>	
COMPANY NAME <u>Seven Canyons Water Company</u>		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 52,367

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 3,262  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Jeffrey Hockett  
SIGNATURE OF OWNER OR OFFICIAL  
480-627-7000  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

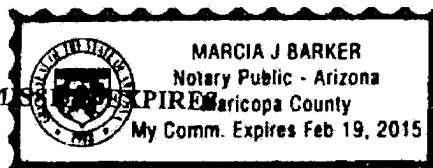
14th

DAY OF

NOTARY PUBLIC NAME <u>MARCIA J. BARKER</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>APRIL</u>	YEAR <u>2011</u>

(SEAL)

MY COMMISSION EXPIRES  
MARCIA J BARKER  
Notary Public - Arizona  
Maricopa County  
My Comm. Expires Feb 19, 2015



Marcia J Barker  
SIGNATURE OF NOTARY PUBLIC